

Why is DPA telling the State Controller to pay minimum wage?

We don't want to take this action but are forced to because the California Supreme Court has ruled that without a budget or other appropriation, there's no authority to legally pay our employees their full salary. California's Constitution prohibits issuing payments without a legislative appropriation. For most of our payroll, this appropriation comes through the annual state budget act.

How much will we get paid?

Based on the California Supreme Court's decision in 2003 (White v. Davis), in the absence of an approved budget the State is limited to issuing paychecks as follows:

WWG 2 (most rank-and-file) - \$7.25/hour

WWG E (most supervisors and managers) - \$455/week

WWG SE (exempt from federal minimum wage protections) - No pay

These payments will be effective starting with paychecks issued in July if there is no budget by the end of the month. Following enactment of a State budget, employees would receive all pay due retroactive to July 1.

Will I receive any financial assistance if I don't receive my regular pay?

In the past, many credit unions and banks have offered special assistance to State employees whose paychecks were affected by delays in passing a budget. We encourage you to contact your own financial institution for details on any assistance programs.

On July 2, the Golden 1 Credit Union announced it would offer payroll loans "with rates as low as 0% APR" to eligible members who receive minimum wage or zero pay related to the budget impasse. Contact Golden 1 for details.

What other resources are available?

During this very stressful period, we encourage employees and their family to take advantage of the State's EAP benefit. The [Employee Assistance Program](#) offers counseling on a wide range of issues, including emotional health and finances. Using this benefit is completely confidential. If you would like to take advantage of this benefit, contact your personnel office for details, or dial the toll-free number at 866-327-4762.

Will this constitute a break in service?

No. You will continue to accrue service at your normal rate.

Will my benefits be affected?

No.

Will my usual deductions be taken from the minimum wage payment?

The State will deduct all mandatory deductions as outlined in the State Controller's Office Payroll Procedures Manual, but voluntary deductions will **not** be withheld (such as car and mortgage payments). You will need to make arrangements to make these payments yourself. However, keep in mind that when full paychecks resume, these suspended payment deductions will be made retroactively. If you already made those payments, you could end up making duplicate payments. Minimum-wage paychecks will not have any health deductions taken from them, but our contracts with the vendors who provide health benefits require them to continue providing health benefits during this time, up to 90 days.

If you participate in the Savings Plus Program, your 457 and 401(k) deferrals, as well as loan repayments, will stop until full pay is restored following enactment of a State Budget.

Will disability pay be affected?

Disability payments which occurred prior to July 1, 2010, will not be subject to minimum wage. Supplemental payments for disability will be based on minimum wage as of July 1, 2010, if there is no budget by the end of the month.

If I leave my State job during the minimum wage period, will my lump sum payment be affected?

No. Lump sum payments will not be based on the minimum wage payment.